

Fiscal Year 2014 Budget

MAY 07, 2013

PRESENTED BY

J. Wayne Vest, County Manager

Fiscal Year 2014 Budget

Budget Team Members

Name	Position/Title
Nick Picerno	Chairman, Moore County Board of Commissioners
Randy Saunders	Commissioner, Moore County Board of Commissioners
Wayne Vest	County Manager
Tami Golden	Internal Auditor
Denise Brook	Human Resources Director
Carrie Neal	Chief Finance Officer
Eli Arroyo	Admin Officer II
Laura Williams	Clerk to the Board
Ken Larking	Former Assistant County Manager

Fiscal Year 2014 Budget

Guiding Principles:

- **Maintain Current Tax Rates:** The recommended budget maintains the County General Tax Rate at **.465** per \$100 of valuation, the Advanced Life Support Rate at **.02** per \$100 of valuation, and proposes no rate changes for the various fire districts.
- **Fund necessary capital expenditures using the Capital Reserve Fund:** There are two primary Capital Reserve Funds which are Capital Reserve for Projects and Capital Reserve for Debt Service. The recommended budget proposes a transfer into the general fund from the capital reserve fund for debt service an amount of \$514,555.
- **Risk Management:** Costs associated with Risk Management other than operating cost have been allocated to the departments based on number of employees or actual prior year costs. This effort provides department directors more accurate information regarding each department's impact on the Risk Management costs.
- **Reduction of Positions through Attrition:** Although the recommended budget increases the overall number of positions being funded, there is a reduction in General Fund positions. The seven recommended new positions in EMS increases the overall total.

Fiscal Year 2014 Budget

Major Points of Consideration

- 2014 Fiscal year budget is balanced at: \$128,189,035 Gross and \$119,899,817 Net (less transfers and assessments)
- Maintains the County General Tax Rate at .465/\$100, the ALS rate at .02/\$100 and all Fire District Rates at FY 2013 rates
- Reduces General Fund positions by 1.5 FTEs, Increases Emergency Medical Services by 8.5 FTEs; 7 are funded at ½ the year (7 New and 1.5 due to reallocation of 2 positions)
- Funds Moore County Schools at \$32,160,243 including debt service
- Funds Sandhills Community College at \$5,901,368 including debt service
- Funds County, School and College debt service using significantly less from Capital Reserve for Debt Service than Davenport projection, and funds enterprise fund debt service through enterprise fund revenue

Fiscal Year 2014 Budget

Budget by Fund and Comparison to Fiscal Year 2013

County of Moore FY 13/14 Proposed Budget

I. PROPOSED FY13/14 BUDGET

Fund	Fund Name and Fund Type	FY14 Revenue Proposed Budget	FY14 Expense Proposed Budget	FY12/13 Approved Budget	FY14 vs. FY13 Difference
100 General/IT/PM	General	\$88,139,978	\$88,139,978	\$84,940,083	\$3,199,895
800 IT	Internal Service	\$0	\$0	\$1,603,750	-\$1,603,750
820 Prop Mgmt	Internal Service	\$0	\$0	\$4,218,887	-\$4,218,887
200 Pub Safety/EMS	Sp Revenue	\$5,842,499	\$5,842,499	\$5,518,475	\$324,024
210 E911 Telephone	Sp Revenue	\$356,760	\$356,760	\$519,998	-\$163,238
211 Fire Districts-RP	Sp Revenue	\$2,948,669	\$2,948,669	\$2,935,027	\$13,642
212 Fire Districts-MV	Sp Revenue	\$262,664	\$262,664	\$250,349	\$12,315
220 SWCD	Sp Revenue	\$21,918	\$21,918	\$23,370	-\$1,452
230 Transportation	Sp Revenue	\$1,430,272	\$1,430,272	\$1,676,517	-\$246,245
600 WPCP	Enterprise	\$4,047,707	\$4,047,707	\$3,916,363	\$131,344
610 Pub Utilities	Enterprise	\$9,272,349	\$9,272,349	\$9,081,389	\$190,960
620 EMWD	Enterprise	\$1,546,829	\$1,546,829	\$1,564,632	-\$17,803
Subtotal County		\$113,869,645	\$113,869,645	\$116,248,840	-\$2,379,195
810 Risk Mgmt	Internal Serv	\$8,152,912	\$8,152,912	\$7,445,706	\$707,206
Subtotal Internal Service Fund		\$8,152,912	\$8,152,912	\$7,445,706	\$707,206
260 CVB	Comp Unit/ Special Rev	\$1,575,620	\$1,575,620	\$1,424,390	\$151,230
640 Airport Authority	Comp Unit/Enterprise	\$4,590,858	\$4,590,858	\$4,158,391	\$432,467
Subtotal Component Units		\$6,166,478	\$6,166,478	\$5,582,781	\$583,697
Total All Sources - Gross Budget by Fund		\$128,189,035	\$128,189,035	\$129,277,327	-\$1,088,292
Less: All Interfund Transfers		<u>-\$8,289,218</u>	<u>-\$8,289,218</u>	<u>-\$11,112,108</u>	<u>\$2,822,890</u>
Total Net Budget		\$119,899,817	\$119,899,817	\$118,165,219	\$1,734,598

Fiscal Year 2014 Budget

Breakdown of Budgeted Increases

All Funds Budgeted Increases over FY 2013 \$1,734,598

Heavy Hitters:

Salaries/Fringes/other expenses	\$362,192
Unemp Insurance NC New legislation	\$157,152
PM Requests - vehicles, improvemts	\$226,600
CVB - US Open	\$151,230 (anticipate increase in Occup Tax)
Airport - US Open	\$432,467 (anticipate increase in Fuel Sales)
Schools Digital Learning	\$375,000
Fire Districts	<u>\$29,957</u>
Total All Budgeted Increases	\$1,734,598

Fiscal Year 2014 Budget

Proposed Gross and Net Budget by Fund

Fund	Fund Name	Fund Type	Gross Budget	Less Transfers	Net Budget
100	General/IT/PM	General	\$88,139,978	-\$4,880,370	\$83,259,608
200	Public Safety/Emergency Mgmt	Special Revenue	\$5,842,499	-\$1,156,497	\$4,686,002
210	E911 Telephone	Special Revenue	\$356,760	\$0	\$356,760
211	Fire Districts - Real/Personal	Special Revenue	\$2,948,669	\$0	\$2,948,669
212	Fire Districts - Motor Vehicle	Special Revenue	\$262,664	\$0	\$262,664
220	Soil Water Conservation District	Special Revenue	\$21,918	\$0	\$21,918
230	Transportation Services	Special Revenue	\$1,430,272	-\$536,803	\$893,469
600	Water Pollution Control Plant	Enterprise	\$4,047,707	-\$334,884	\$3,712,823
610	Public Utilities	Enterprise	\$9,272,349	-\$1,085,652	\$8,186,697
620	East Moore Water District	Enterprise	\$1,546,829	\$0	\$1,546,829
810	Risk Management	Internal Service	<u>\$8,152,912</u>	<u>\$0</u>	<u>\$8,152,912</u>
Total County Funds			\$122,022,557	-\$7,994,206	\$114,028,351
260	Convention & Visitor's Bureau	Comp Unit/Spec Rev	\$1,575,620	-\$50,400	\$1,525,220
640	Airport Authority	Comp Unit/Enterprise	<u>\$4,590,858</u>	<u>-\$244,612</u>	<u>\$4,346,246</u>
Total Component Units			\$6,166,478	-\$295,012	\$5,871,466
Totals			\$128,189,035	-\$8,289,218	\$119,899,817

Fiscal Year 2014 Budget

TRANSFERS AND ASSESSMENTS

Transfers are made up of assessment amounts charged to County departments but paid by an Internal Service Fund, such as Risk Management. Some examples include: health insurance, wellness assessment, liability and property insurance, worker's compensation, and unemployment. Another transfer included in this budget is the transfer from the general fund to the Airport Authority which is made up of the sales tax and property tax the County collects and redistributes back to the Airport Authority Enterprise Fund.

Below is a list of the assessments included in the FY14 Budget for the General Fund:

Wellness Assessment	\$163,634
Health Insurance Costs	\$3,758,043
Liability & Property Insurance	\$172,251
Unemployment Insurance –NC legislation	\$113,278
Unemployment Premium	\$91,481
Worker's Compensation Claims	\$105,115
Worker's Compensation Premium	\$431,334
General Fund Assessment	<u>\$45,234</u>
Total General Fund Assessments	\$4,880,370

The health insurance costs are 77.00% of the total assessment.

Fiscal Year 2014 Budget

Compensation and Benefits

- Proposed budget does not include funding for Cost of Living Adjustments, Performance Pay Adjustments, or Merit Awards
- Proposed budget does include funding of Longevity, Service Pay, and Step Advancements
- Proposed budget does include funding of County retirement contribution of 7.07% (non-law enforcement) & 7.28% (law-enforcement) and 401K contribution of 3% (non-law enforcement) & 5% (law-enforcement)
- Proposed budget includes funding for life insurance (2X annual salary) and funding for Wellness Works (treated as an assessment \$500/employee)
- Proposed budget includes funding of employee health insurance, the per employee contribution did increase by \$634
- Proposed budget includes funding for newly implemented Unemployment Insurance of \$209 per employee

Fiscal Year 2014 Budget

Compensation and Benefits

- Based on a \$30,000 annual salary, the benefits and compensation increase is \$959 or roughly 3.2%

Retirement and 401K Contribution

- The proposed budget recommends capping the County retirement and 401K contribution at 10% for non-law enforcement employees hired after July 1, 2013
- The adjustment would be made to the 401K contribution once the retirement contribution has been determined
- The recommendation for non-law enforcement employees hired after July 1, 2013 also proposes that the County contribution to the employee 401K will be as a match up to the cap amount
- Fiscal year 2014 retirement contribution is 7.07%; therefore, the maximum County 401K contribution will be 2.93%. If the employee chooses to contribute less than 2.93%, the County contribution would be less as well since the County contribution will be a match of the employee contribution.

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 100: General Fund

General Fund Revenues	
Source	FY14 Budget
Property Tax (.01 generates \$1,180,296)	\$55,223,772
Sales Tax	\$14,241,500
Other Taxes	\$664,000
Interest	\$145,000
Departmental Fees	\$6,972,428
Grants	\$10,368,723
Transfers In	\$524,555
Total Revenues	\$88,139,978

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 100: General Fund

General Fund Expenditures	
GF Expenditures	FY14 Budget
General Government	\$11,516,573
Public Safety	\$10,583,607
Environmental	\$3,751,271
Human Services	\$18,214,045
Cultural	\$1,136,916
Education (incl debt)	\$38,061,611
Debt (excluding education)	\$3,263,925
Non-Dept/Non-Profits	\$1,439,620
Transfers out	\$172,410
Total Expenditures	\$88,139,978

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 200: Public Safety/Emergency Management

- Balanced at \$5,813,984 in Revenues and Expenditures
- Supported by Advanced Life Support (ALS) tax revenue, fees, other revenue and appropriated fund balance
- ALS Tax proposed to remain at .02/\$100 of valuation
- Budget recommends adding 7 new positions funded at ½ the fiscal year: 4 positions allocated to Southern Pines station and 3 positions allocated to planned joint EMS/Fire sub-station on Glendon-Carthage Road

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 210: E911

- Balanced at \$356,760 in Revenues and Expenditures
- Funds generated by E911 surcharge on phone bills and appropriated fund balance
- E911 surcharge revenues are regulated by the State
- FY 12/13 projected calls: 62,000

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 220: Soil and Water Conservation District

- Balanced at \$21,918 in Revenues and Expenditures
- Revenues generated by fees from services and matching State grant funds

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 230: Moore County Transportation Services

- Balanced at \$1,430,272 in Revenues and Expenditures
- \$246,245 reduction from fiscal year 2013 budget
- Revenues generated by user fees, grants, sale of assets
- No appropriated fund balance is proposed for fiscal year 2014

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Funds 600, Water Pollution Control Plant; 610, Public Utilities; 620 East Moore Water District

Enterprise Funds

Public Works Division	FY2012-13 Adopted Budget	FY2013-14 Proposed Budget	Difference (%)
Water Pollution Control Plant	\$3,916,363	\$4,047,707	3.35%
Moore County Public Utilities	\$9,081,389	\$9,272,349	2.10%
East Moore Water District	\$1,564,632	\$1,546,829	-1.14%
Total	\$14,562,384	\$14,866,885	2.09%

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Funds 600, Water Pollution Control Plant; 610, Public Utilities; 620 East Moore Water District

Proposed Rate Information

Fund 600: Proposed budget includes a .13/1,000 gallon increase in municipal flow rates from \$2.61/1,000 to \$2.74/1000

Fund 610: Proposed budget includes a \$1.40 base rate increase for $\frac{3}{4}$ " and 1" meters. The $\frac{3}{4}$ " rate increases from \$6.10 to 7.50 and the 1" rate increases from \$7.70 to \$9.10. Also proposed is a combination domestic/irrigation New Service Rate of \$2,600 which was previously \$3,900 (\$1,950 for each).

Fund 620: Proposed base rate changes for Public Utilities does not impact EMWD, the combination rate for New Service domestic/irrigation does apply

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 810: Risk Management

- Balanced at \$8,152,912
- Treated as an Internal Service Fund
- Expenditures include costs for Health Insurance, Wellness Works, Worker's Compensation, Unemployment, and Unemployment Insurance, Liability and Property Insurance
- Budget proposes no appropriated fund balance

Fiscal Year 2014 Budget

KEY POINTS REGARDING EACH FUND

Fund 260: Convention and Visitor's Bureau

- Balanced at \$1,575,620
- Increase of \$151,230 over fiscal year 2013
- Anticipated increase in room occupancy due to 2014 Men's and Women's US Open being played at Pinehurst Course #2

Fund 640: Airport

- Balanced at \$4,590,858
- Increase of \$432,467 over fiscal year 2013
- Anticipated increase in fuel sales due to 2014 Men's and Women's US Open being played at Pinehurst Course #2

Fiscal Year 2014 Budget

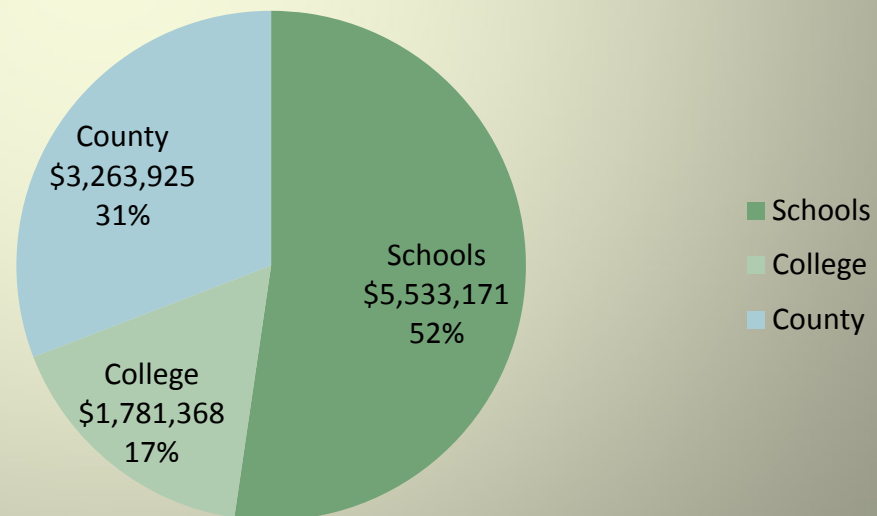
KEY POINTS REGARDING GENERAL FUND DEBT SERVICE

- Total Debt Service is \$13,949,428
- Total General Fund Debt Service is \$10,578,464
- Refunding of 2003 Series Bonds reduced 2014 debt service for the Schools and College by \$443,981

General Fund Debt Service Graph

	Amount	%
Schools	\$5,533,171	52.31%
College	\$1,781,368	16.84%
County	\$3,263,925	30.85%
Total	\$10,578,464	100.00%

General Fund Debt Service



Fiscal Year 2014 Budget

KEY POINTS REGARDING DEBT SERVICE

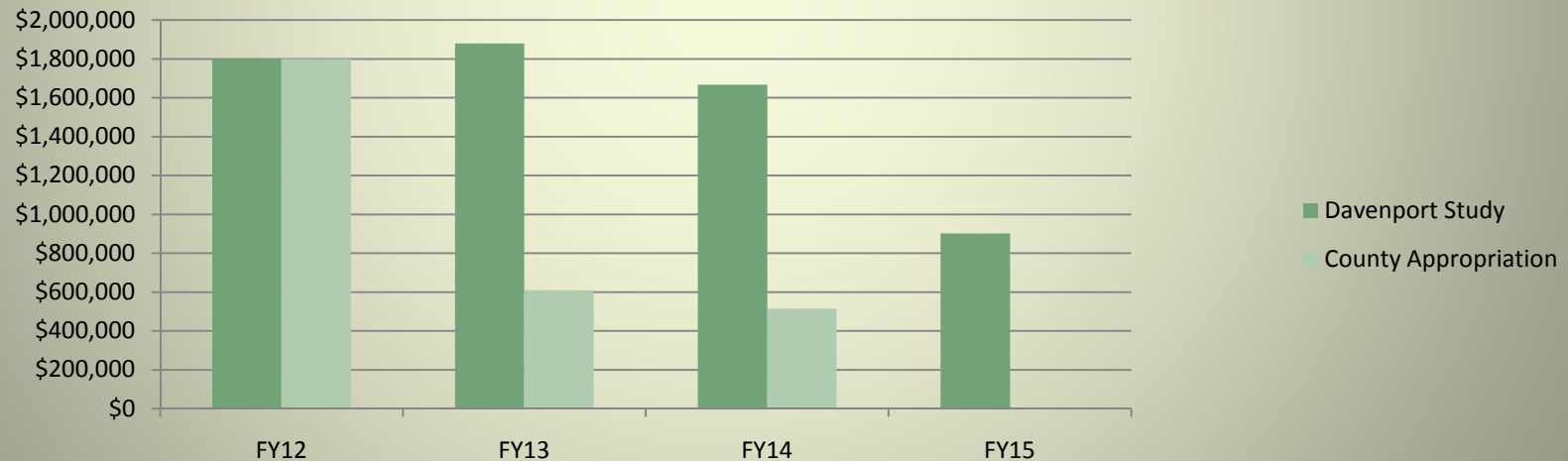
- Appropriated fund balance of \$514,555 from Capital Reserve for Debt Service Fund
- \$1,152,571 less than Davenport Study recommendation

Fiscal Year 2014 Budget

KEY POINTS REGARDING DEBT SERVICE

Davenport Study Transfer from Capital Reserve

Fiscal Year	Davenport Study	County Appropriation	%
FY12	\$1,800,000	\$1,800,000	28.81%
FY13	\$1,879,908	\$609,363	30.08%
FY14	\$1,667,126	\$514,555	26.68%
FY15	\$901,750	\$0	14.43%
	\$6,248,784	\$2,923,918	100.00%



*\$375,000 is transfer in from debt service for Schools Digital Learning

\$139,555 is transfer in to balance General Fund

Fiscal Year 2014 Budget

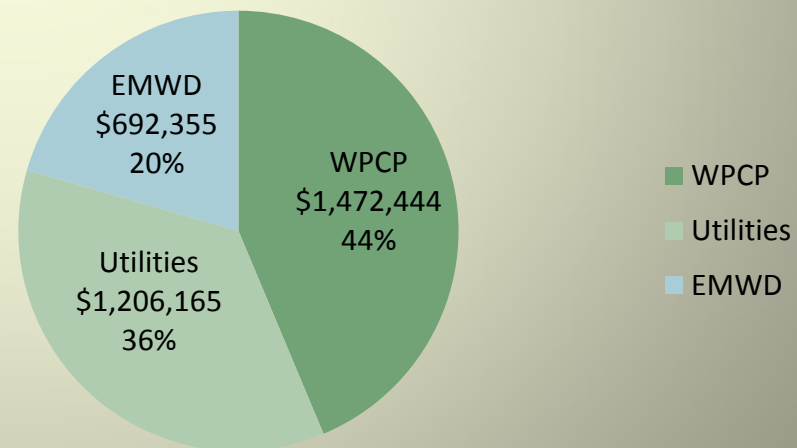
KEY POINTS REGARDING ENTERPRISE FUND DEBT SERVICE

- Total Enterprise Fund Debt Service is \$3,370,964

Enterprise Funds Debt Service Graph

Fund	Amount	%
WPCP	\$1,472,444	43.68%
Utilities	\$1,206,165	35.78%
EMWD	\$692,355	20.54%
Total	\$3,370,964	100.00%

**Enterprise Funds
Debt Service**



Fiscal Year 2014 Budget

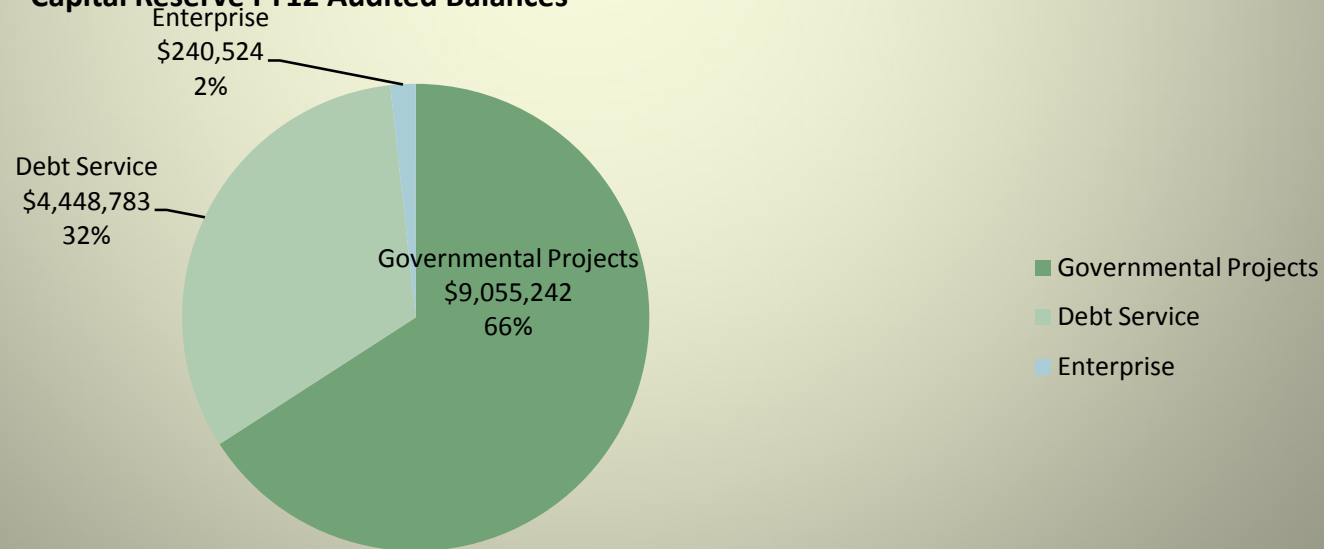
KEY POINTS REGARDING CAPITAL RESERVE FUND

- Audited Amounts Based on Fiscal Year Ended June 30, 2012

Capital Reserve FY12 Audited Balance

	Amount	%
Governmental Projects	\$9,055,242	65.88%
Debt Service	\$4,448,783	32.37%
Enterprise	\$240,524	1.75%
Total	\$13,744,549	100.00%

Capital Reserve FY12 Audited Balances



Fiscal Year 2014 Budget

A FEW CAPITAL IMPROVEMENT PROJECTS

- Rick Rhyne Public Safety Center: Ribbon cutting and dedication ceremony held April 23, 2013. \$32,207,900 project.
- Narrow-Banding: Received mobile and portable radios, telephone system, and console equipment. Adding 2 tower sites underway. In process of receiving needed radio ID's. Sheriff's Office scheduled to convert completely to Viper System by the end of May 2013. Re-banding of Viper System scheduled for completion by mid-February, 2014. \$4,680,641 project
- EMS: Plans underway for Paramedic/Quick Response Vehicles station on Glendon-Carthage Road. In discussions for new Southern Pines sub-station near Airport.
- Desktop Virtualization: Testing began mid-March, Control-group testing during April, roll-out of controlled live use expected by July 2013, \$457,000 project
- Water Pollution Control Plant: 3.3 MGD expansion and upgrade anticipated to be completed by the end of May 2013. \$25,447,000 project

Fiscal Year 2014 Budget

SCHEDULE

BUDGET WORKSESSIONS

- May 9, 2013 @ 5:00 PM
- May 23, 2013 @ 5:00 PM
- May 30, 2013 @ 5:00 PM
- May 31, 2013 @ 3:00 PM

REQUIRED PUBLIC HEARING

- May 21, 2013 @ 6:00 PM at the Regularly Scheduled Board of Commissioner's Meeting

ADOPTION

- June 04, 2013 at the Regularly Scheduled Board of Commissioner's Meeting

Fiscal Year 2014 Budget

SUMMARY

- The fiscal year 2014 proposed budget is balanced at \$128,189,035 in revenues and expenditures
- The proposed budget provides a fiscally sound and responsible blueprint for administering the revenues and expenditures for fiscal year 2014
- The proposed budget allows for the continued operations of the County and for providing the highest level of services in an efficient and effective manner
- Thanks to everyone who allocated time, effort, and expertise to developing the proposed budget
- The proposed budget is respectfully submitted